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C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000453

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SUBJECT: TOP 09: THE CZECH REPUBLIC'S NEWEST POLITICAL PARTY

REF: A. PRAGUE 313

[1](#)B. PRAGUE DAILY JULY 30

Classified By: CDA Mary Thompson-Jones, reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: Former Czech Finance Minister Miroslav Kalousek split from the Christian Democratic Party (KDU-CSL) shortly after the fall of PM Topolanek's government in March, ostensibly because of its shift to the left. After the European Parliament elections in early June, Kalousek launched a new political party called TOP 09. TOP 09 is right-of-center, fiscally conservative and pro-European. Former Minister of Foreign Affairs Karel Schwarzenberg is the party's chairman and together with Kalousek provides the star power, which Kalousek hopes will help the party pass the five percent barrier needed to win seats in the October parliamentary elections. The initial response to TOP 09 was positive but the novelty of the party may be waning as it struggles to differentiate itself from ODS, its main rival (and natural coalition partner) on the right, and answer questions about its long-term viability. TOP 09 is expected to attract disaffected ODS voters and could also attract some support from KDU-CSL, the Greens and even the Social Democrats (CSSD). Its likely performance in the October 9-10 elections is still a major question mark. It has the potential to significantly impact the elections or could be the next in a long series of failed Czech political parties. End Summary.

Kalousek Leaves KDU-CSL

[1](#)2. (C) Shortly after PM Mirek Topolanek's government lost a vote of confidence on March 24, then-Finance Minister Miroslav Kalousek announced that he would soon leave the Christian Democratic Party (KDU-CSL) because the party's platform had shifted to the left of center, and hinted he would start a new party. Specifically, Kalousek cited KDU-CSL's position on issues such as taxation and social benefits as the reason for his departure. (Comment: In a private conversation, KDU-CSL's International Secretary said that this was just a ruse. He noted that many of the policies to which Kalousek objects were actually developed under his reign as party Chairman. He felt the split was mostly due to the strong animosity between Kalousek and new KDU-CSL chair Cyril Svoboda. TOP 09's International Secretary confirmed this as well. End Comment.)

[1](#)3. (SBU) Kalousek had been a member of KDU-CSL for 25 years and was its chairman from 2003 to 2006. KDU-CSL had its party congress at the end of May 2009 and elected Cyril Svoboda as its new chairman (Ref A). Svoboda had been the KDU-CSL chairman from 2001 to 2003 and is viewed by many as supporting a possible coalition with CSSD. Kalousek attended the party congress but did not speak. On June 11, he held a press conference and TOP 09 was launched.

A Stalking Horse for ODS?

14. (SBU) TOP 09 calls itself a center-right, pro-business, pro-free market, and pro-Europe party that supports a strong trans-Atlantic relationship. TOP 09 has vowed to fight corruption, and supports limited government, fair taxation, fiscal responsibility and a stronger emphasis on "Judeo-Christian values." However, TOP 09 has yet to address specific issues or lay out concrete proposals for achieving these broad objectives. Judeo-Christian values aside, much of what TOP 09 endorses is not significantly different than ODS. Kalousek was widely viewed as ex-ODS PM Topolanek's favorite minister and Topolanek even lobbied for Kalousek to serve in the current technocratic government, a move that was vetoed by CSSD. Initially many observers suggested that Kalousek was forming TOP 09 as a stepping stone to merge part of KDU-CSL with ODS. Those that know him, however, dismissed this suggesting that Kalousek was not interested in joining ODS as he would rather be a big fish in a small pond than play third fiddle in a larger party. Nevertheless, TOP 09, as ODS's most natural coalition partner, could very well play the role of a stalking horse for ODS by preventing those center-right voters disillusioned with ODS from voting for more leftist parties or throwing away their votes on marginal parties unlikely to clear the 5 percent threshold. In any case, ODS officials are telling us that while they would welcome TOP 09 as a coalition partner after the elections, until the elections, they are treating TOP 09 as a serious rival.

TOP 09-Personalities and Program

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15. (C) At the press conference introducing and announcing TOP 09, Kalousek had Karel Schwarzenberg at his side. The press tagged them as the "brains" and the "face" of the party. Kalousek is renowned for his political savvy and deal-making abilities. However, he carries some baggage from corruption cases he was involved in when he headed the budget and acquisitions department at the Ministry of Defense from 1993 to 1998. Schwarzenberg is not a day-to-day manager, but he is a widely respected and trusted figure and gives the party moral credibility. In a recent poll, Schwarzenberg was the second most popular politician in the Czech Republic. He is a direct descendant of Czech nobility and his family was forced into exile in 1948. He returned in 1989 and took up residence in a castle he obtained in restitution. Although he describes himself as both a forester and innkeeper, "Prince Karel" (as he is sometimes called) also has a financial interest in the highly-respected news weekly Respekt and is co-owner of Becherovka, the national liquor. Despite his impeccable reputation, his 1997 acquisition of Becherovka, together with coal tycoon Zdenek Bakala, raised eyebrows at the time, as his was far from the highest bid. Although he is very popular, the parties with which he has been associated in the past have not always done well. He was most recently the Minister of Foreign Affairs in PM Topolanek's government, having been nominated by the currently struggling Greens (although he was never formally a member of that party). Schwarzenberg won his current Senate seat with the now defunct Freedom Union party. Schwarzenberg, age 71, suffered health problems that required open heart surgery in February 2008. His recuperation sidelined him for over two months. TOP 09's International Secretary said that Kalousek and Schwarzenberg know and trust each other well. Schwarzenberg is in charge of directing the campaign and Kalousek is responsible for developing the party's platform.

16. (C) In his speech to the 2008 KDU-CSL Congress, Kalousek asked rhetorically "whether we are Western European style Christian Democrats or church-going socialists." In forming TOP 09, Kalousek said that KDU-CSL had become the latter. Although Kalousek ostensibly established the party as a

response to KDU-CSL's shift to the left, pinning down what TOP 09 really stands for is difficult. In the Czech language, the acronym TOP stands for tradition, responsibility and prosperity. In the political realm it claims to be a conservative party that will take its "European and Trans-Atlantic relationships seriously." Kalousek has said it will not be a populist party and that it will only make realistic promises that are fiscally feasible. Many scoffed when Kalousek said his party would fight corruption (remembering how he was embroiled in corruption scandals) and seek to inject integrity into the government. According to TOP 09's International Secretary, Schwarzenberg will be in charge of all foreign affairs. Schwarzenberg is pro-U.S. and pro-Missile Defense and TOP 09's foreign policies are expected to reflect Schwarzenberg's beliefs.

¶7. (C) To date, dozens of other KDU-CSL party members and eight MPs have left KDU-CSL for TOP 09. Aside from Kalousek and Schwarzenberg, the other Minister from Topolanek's government to join is Vlasta Parkanova, the Minister of Defense under Topolanek's government. Other TOP 09 members include Pavol Luksa, a regional politician and mayor of a wealthy Northern Moravian town. Luksa is also a successful businessman and could be one of the financial backers of the party. Another businessman who has links to TOP 09 is Richard Hava, Chairman of Omnipol, a weapons trading company. Hava and Kalousek are close friends but Kalousek denied he would receive any financial backing from Hava.

¶8. (SBU) TOP 09 currently has its main office in Prague and has a branch office in every region. TOP 09 was officially registered as a party on June 26, 2009, and Kalousek noted at the time that 600 people had applied for membership. As of the end of July, the party's membership had jumped to 1300.

TOP Faces Uphill Climb

¶9. (C) Immediately after announcing TOP 09, a Factum Invenio poll run for the newspaper Pravo showed that 43.8 percent of respondents said that TOP 09 will be successful with voters. However, some weeks later, on June 26, CVVM (a leading polling agency) released the results of a poll showing that TOP 09 would only get 2 percent of the vote if parliamentary elections were held that day. A Factum poll released on July 30 showed that TOP 09 would have received 5 percent of the vote if the elections had been held in July (RefB). While this would get them across the minimum threshold to enter Parliament, it is not the kind of traction the party had hoped for, though it may be enough to get them into the

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nationally televised debates which will increase their exposure. In a meeting with emboffs, former Minister of Agriculture and current ODS candidate Petr Gandalovic observed that many new parties are formed, but most do not get off the ground. He predicted that TOP 09 may do well in certain local and regional elections, but added that political parties are also social structures and not just personalities. He noted, however, that while they are a competitor for ODS, they are also seen as a potential coalition partner.

¶10. (C) In a sign the party is attempting to broaden its appeal, TOP 09 and the political movement Mayors and Independents signed a long-term (through 2012) cooperation agreement on July 9. Mayors and Independents received 2.28 percent of the vote in the June 2009 European Parliament elections, its first election as a political movement. TOP 09 and Mayors and Independents will run a joint election campaign and will have the same electoral program. Some members of the Mayors and Independents movement will be on the TOP 09 list of candidates, but the Mayors and Independents will have priority at the local and regional level. If they win seats in the October elections, TOP 09

and the Mayors and Independents will form a joint parliamentary faction titled "Top 09 and Mayors." Priorities of the two entities include transparency in government, fighting corruption, stability of the public budget, and municipal autonomy. Schwarzenberg will be at the top of the Prague region's candidate list, while Petr Gazdik, chairman of the Mayors and Independents, will lead the South Moravia region. In addition, another new but small party, Obcane.cz, is losing five of its 25 members to TOP 09 - its student group is leaving to join TOP 09.

¶11. (C) Financing will be a crucial issue for TOP 09's electoral success. Kalousek and Schwarzenberg have vowed not to take loans and said that all financing will come from donations. This has raised some eyebrows, given the extent of Kalousek's ties to certain business people. Kalousek said the party will publish the list of all donations. Many speculate that he will bury the names of certain donors, with whom TOP 09 will not want to be publicly associated. On July 25, TOP 09 announced that it had thus far received 15 million CZK (roughly 850,000 USD), about half of what it says it needs to run a successful campaign in the fall. One contributor, Dusan Novotny, a businessman who earned his wealth through a chain of pharmacies, contributed 11 of the 15 million CZK. A Slovenian banker, Stefan Loncnar, contributed 1 million CZK. None of these donors has caused controversy.

TOP 09 - An Electoral Wildcard

¶12. (C) Comment: The Czech Republic has seen numerous political parties come and quickly go since the Velvet Revolution 20 years ago. Czech politics are heavily driven by personalities, and TOP 09 is relying on the star power of its "face," former FM Schwarzenberg and its "brains," former Finance Minister Kalousek, to put it over the top. With significant name recognition and a good start toward strong financial baking, it may well make a significant impact on the margins of the October 9-10 parliamentary elections. What this impact will be, however, is still a big unknown and TOP 09 is the elections' major wildcard. Many political pundits seem to agree that TOP 09 will most likely draw its support at the expense of ODS. TOP 09, as ODS's most natural coalition partner, however, could also help ODS if it keeps votes from disaffected ODS voters in the center-right fold. TOP 09 could also significantly hurt KDU-CSL, which at 8 percent in the polls does not have a lot of room to spare. Nevertheless, KDU-CSL's voter base, though dwindling, appears loyal to new head Svoboda and the recent Factum poll suggests that its base is staying firm. A planned visit by the Pope two weeks before the elections could also rally KDU-CSL's catholic voter base. Many of the prominent KDU-CSL's members that have left for TOP 09 joined KDU-CSL only after the ODA party went defunct; thus as relative newcomers, the number of committed long-term KDU-CSL supporter they may be able to bring with them is limited. TOP 09, with Schwarzenberg, could also take some votes from the more conservative members of the Greens, concerned that their party is unlikely to make the five percent cut. If TOP 09 cannot cross the 5 percent threshold, that leaves ODS alone on the right, with the Communists and Social Democrats on the left and KDU-CSL in the center. Leading analyst Vladimira Dvorakova told us that ODS's biggest nightmare is that TOP 09 takes away a good chunk of its vote only to not make it into parliament. End Comment.

Thompson-Jones